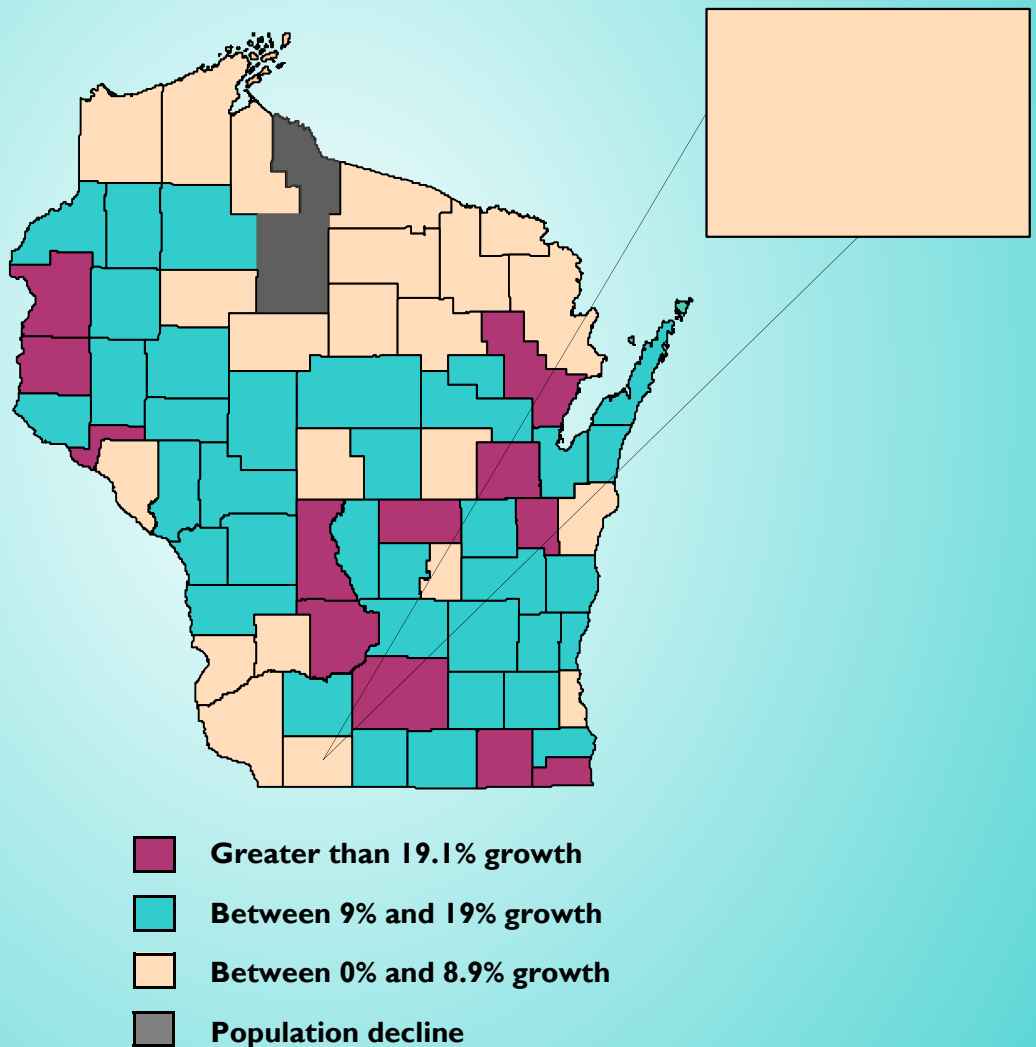


Lafayette County Workforce Profile

Projected population growth from 2000 to 2020



Source: Wisconsin Department of Administration, Demographic Services Center.
Statewide population growth is projected to be 13.9 percent from 2000 to 2020.



County Population

The population of Lafayette County increased just 0.8 percent from April 2000 through December 31, 2001. One could call the population growth in Lafayette County during these two years anemic. Lafayette County's growth rate ranked 64th highest of Wisconsin's 72 counties. During the same period the national population grew by two percent and the state population grew by 1.7 percent.

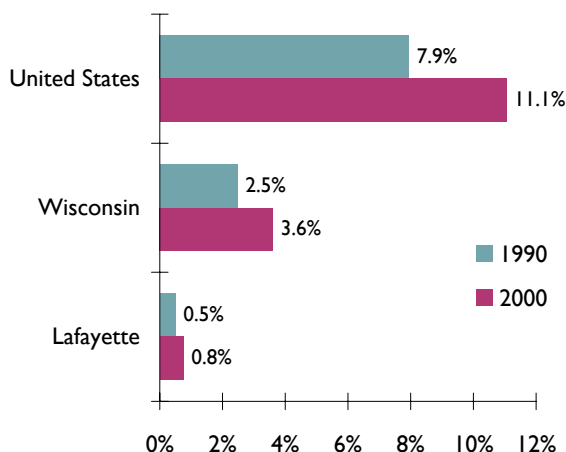
The largest numerical increases in population were in the towns of Belmont and Willow Springs. The official increase in population in these two towns totaled 72, together accounting for 57 percent of the entire county's increase.

The migration rate in Lafayette County was lower than the 0.9 percent migration rate in Wisconsin and it also lagged behind the growth rate of other non-metropolitan counties in the state by a substantial margin. Just a net of 25 individuals moved into the county since 2000.

The growth in population from natural increase totaled just 101 even though there were 331 births in the county. The median age in Lafayette County in 2000 was 38.1 years, one of the highest in this category in Wisconsin. This is the primary reason why natural increase in population is so much lower than other counties.

Lafayette County is still mostly populated with white residents. Lafayette County's share of foreign-born

Share of Foreign-born Residents



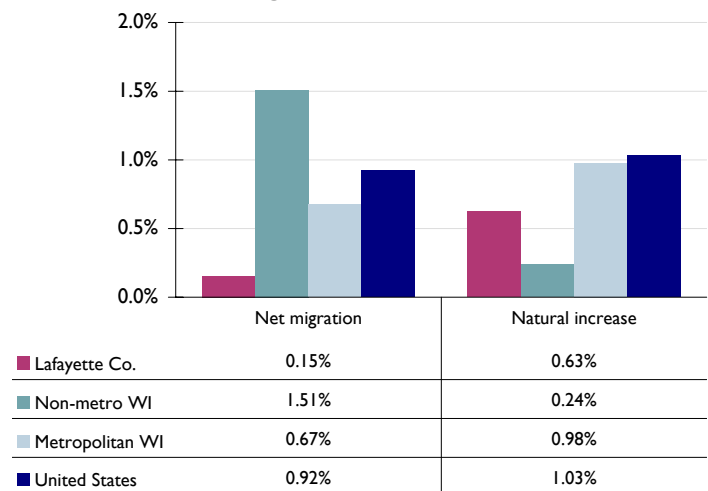
Source: US Dept. of Commerce, Census 2000, Summary file-4, QT-P14

Total Population

	April 2000 Census	January 1, 2002 estimate	Percent change
United States	281,421,906	286,923,000	2.0%
Wisconsin	5,363,701	5,453,896	1.7%
Lafayette County	16,137	16,263	0.8%
Largest Municipalities			
Darlington, City	2,418	2,413	-0.2%
Shullsburg, City	1,246	1,244	-0.2%
Benton, Village	976	987	1.1%
Wiot, Town	900	894	-0.7%
Belmont, Village	871	893	2.5%
Argyle, Village	823	822	-0.1%
Darlington, Town	757	748	-1.2%
Belmont, Town	676	717	6.1%
Willow Springs, Town	632	663	4.9%
Blanchardville, Village*	660	659	-0.2%

* Lafayette County portion only

Net migration and natural increase



Source: Wisconsin DOA, Demographic Services Center & US Census Bureau

residents is very low compared to the United States, and even Wisconsin.

Barring some unforeseen and radical change in the county's demographic trends, Lafayette County will not be able to reverse its current population trend. Nationally, more births are occurring in non-white populations, plus a median age of nearly 40 years

(Continued on page 2)

Lafayette County Workforce Profile

Population Projections by Age Groups in Lafayette County

	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75+
2000																
Male	519	608	647	722	417	380	487	634	706	641	491	357	350	311	334	456
Female	438	555	689	656	364	366	458	660	706	559	413	370	391	364	338	750
2005																
Male	480	592	626	618	554	437	396	496	638	706	636	486	345	318	274	502
Female	461	501	572	641	504	397	392	479	672	701	552	418	366	371	324	758
2010																
Male	494	536	608	599	476	581	458	405	502	641	705	633	474	315	283	490
Female	475	516	515	534	495	547	429	414	491	671	696	563	417	350	332	756
2015																
Male	508	545	550	581	460	500	605	468	410	504	640	702	617	434	281	487
Female	489	527	530	480	412	537	584	453	425	490	666	709	561	399	314	763
2020																
Male	523	551	558	526	447	483	520	617	474	412	505	639	687	567	389	485
Female	503	534	540	491	368	446	570	611	463	422	484	677	704	535	357	756

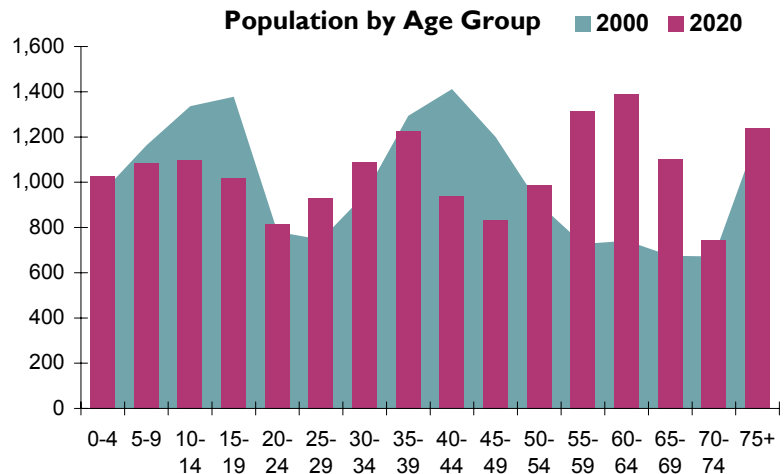
Source: Wisconsin Dept. of Administration, Demographic Services, October 2003

cannot be overlooked. The county's median age will only increase in the years to come.

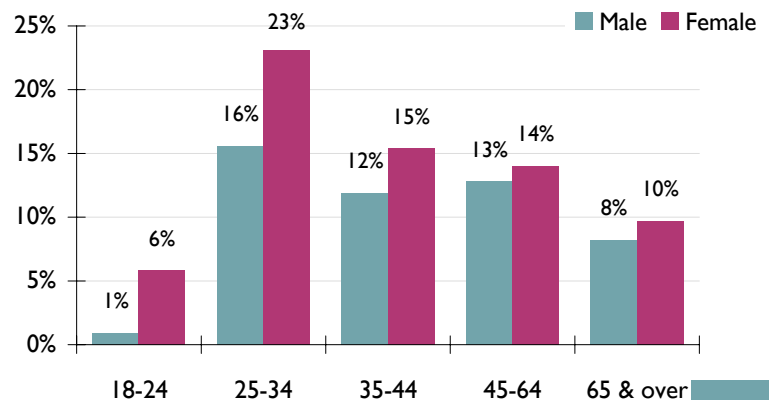
Population-age projections to the right illustrate that the share of population over the age of 60 will increase from 20 percent of the population in 2000 to 27 percent in 2020 and the population under 20 years old will decline from 30 percent to 25 percent of the total.

From 2000 to 2020 total population is projected to increase by just over 700 residents. Amazingly, the population under 60 will decline by 479 persons. The population over 60 will increase by 1,186 and, in effect, the population over 60 will comprise the entire increase in Lafayette County's population in the next 20 years.

A noticeable trend in Lafayette County, as well as in the state, is that a higher share of younger females have a bachelor's degree compared to men of the same age. What is different in Lafayette County than the most other areas of the state is that this trend continues throughout every age group in the county. At a statewide level, older generations have higher percentages of males with college degrees; reflecting generations when more men attended college than women.



Percent of age group with at least a Bachelor's degree in Lafayette County



Source: US Dept. of Commerce, Census 2000, Summary file 4, QT-P20

Labor Force Characteristics

The labor force participation rate (LFPR) is the number of residents who are either working or looking for work divided by the total, non-institutional, population.

The top graph shows that labor force participation rates are highest for the middle-aged groups and lowest for the older-aged groups. This is typical and reflects the changing needs and desires of people's inclination to work. Younger residents are in school, middle-aged residents have many financial commitments and are in their prime working years, and older residents are anticipating retirement.

Wisconsin's LFPR, 73 percent, placed it among the five highest states in the United States. The overall participation rate in Lafayette County in 2002 was 58.4 percent, substantially lower than both the state and national LFPR. Issues such as dramatically low LFPR, increasing population over 60, low immigration will need to be addressed in the next five to ten years.

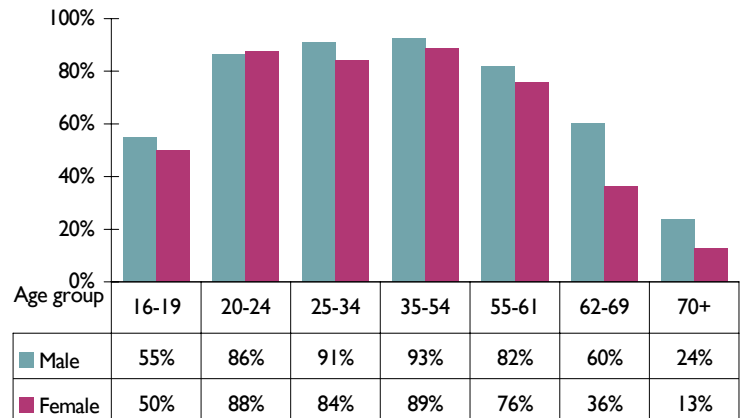
Increasing the LFPR among Lafayette County's older population could help alleviate some of the impending labor shortage. Based on 2000 LFPR of age groups the graph on the right shows the number of residents in 2020 projected to be in the labor pool. By 2020, even though the number of residents will increase, the number who participate in the labor force will decline.

Of the roughly 7,250 residents who currently participate in the labor force about 6,750 are employed and 510 are unemployed. The number of employed is down from the high of 1997 due to the recession and loss of jobs in the county. In 2002, Lafayette County unemployment rates climbed to their highest level since the 1980s.

When the economy recovers, labor shortages will once again become a major issue for employers. By the year 2020, labor shortages will be acute in Lafayette County. Even with no increase in employer demand for workers, which is unlikely, older persons consume services at a higher rate and services

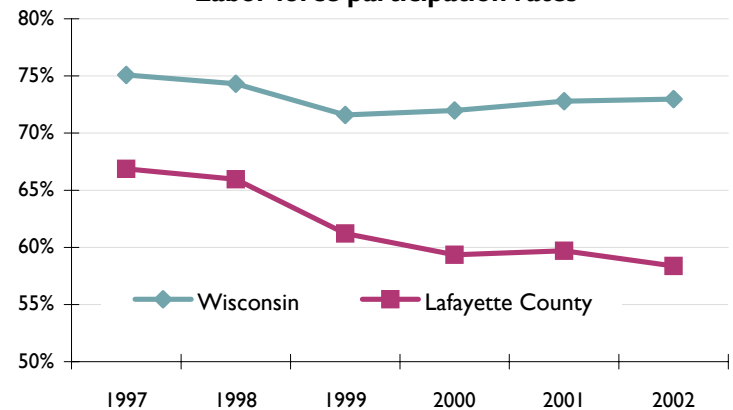
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Lafayette Labor Force Participation by Age & Sex in 2000



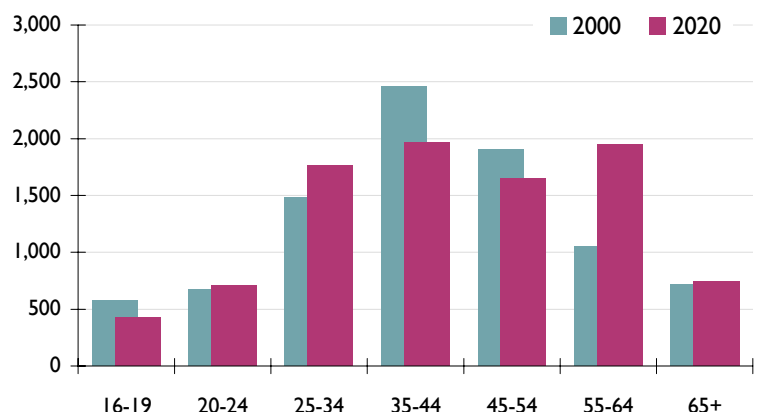
Source: US Dept. of Commerce, Census 2000, Summary file 4, PCT-79

Labor force participation rates



Source: WI DWD, Office of Economic Advisors, 2003

Labor Force by Age in 2000 & 2020 in Lafayette County



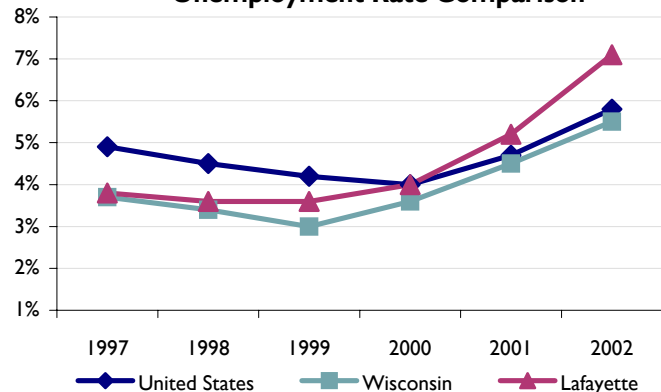
Source: DWD, Office of Economic Advisors, US Census, SF-4 (PCT-79), WI Demographic Services

Lafayette County Workforce Profile

industries are the growth industries of now and the future. This will be particularly true of the health services industries

In the recovery to come, unemployment rates will likely decline. The unemployment rate in Lafayette County could potentially decrease to the two to three percent range.

Unemployment Rate Comparison



Lafayette County Civilian Labor Force Data

	1997	1998	1999	2000	2001	2002
Labor Force	8,121	8,078	7,425	7,360	7,456	7,243
Employed	7,812	7,790	7,161	7,063	7,068	6,732
Unemployed	309	288	264	297	388	511
Unemployment Rate	3.8%	3.6%	3.6%	4.0%	5.2%	7.1%

Source: WI DWD, Bureau of Workforce Information, LAUS program, 2003

Occupations in demand

Occupational queries outnumber every other labor market information request. This is because all parties involved in the labor transaction -employers, jobseekers, students, and others- are interested in career trends, education and training requirements and perhaps most importantly, wages associated with occupations.

The table to the right examines the fastest growing occupations in the Southwest region and occupations that will have the most openings between 2000 and 2010 and their average hourly wages in 2001.

The distinctions between the fastest growing and those with most openings are obvious- wages and educational requirements are quite different. Occupations with the most openings tend to be entry-level needing less educational requirement and may have higher turnover as people move up their career ladders. Those that are growing quickly may not necessarily grow abundantly. They are pervasive in technical fields and most require some form of post-high school training or formal education.

Southwest Region Occupation Projections: 2010

	Top Ten Occupations	Education & Training Typically Required*	Average Wage**
Fastest Growth	Computer Support Specialists	Associate degree	\$17.36
	Network & Comp. Systems Admin.	Bachelor's degree	\$22.01
	Personal and Home Care Aides	1-month or less training	\$7.94
	Medical Records and Health Information	Associate degree	\$9.95
	Medical Assistants	1-12 mo. on-the-job training	\$10.91
	Computer and Information Systems	Work experience & degree	\$30.39
	Social and Human Service Assistants	1-12 mo. on-the-job training	\$12.43
	Computer Systems Analysts	Bachelor's degree	\$31.98
	Hotel, Motel, and Resort Desk Clerks	1-month or less training	\$7.72
	Home Health Aides	1-month or less training	\$8.65
Most Openings	Cashiers	1-month or less training	\$7.48
	Comb Food Prep/Serv Wrk/Incl Fast	1-month or less training	\$6.70
	Retail Salespersons	1-month or less training	\$9.86
	Waiters/Waitresses	1-month or less training	\$6.77
	Labrs/Frght/Stock/Matrl Movers/Hand	1-month or less training	\$10.87
	Registered Nurses	Bachelor's degree	\$22.41
	Stock Clerks/Order Fillers	1-month or less training	\$10.22
	Packers/Packagers/Hand	1-month or less training	\$10.21
	Shipping/Receiving/Traffic Clerks	1-month or less training	NA
	Office Clerks/General	1-month or less training	\$9.89

* The most common way to enter the occupation, not the only way

** Wages from Occupation Employment Statistics survey responses for region, 2001

Southwest WDA includes Grant, Green, Iowa, Lafayette, Richland and Rock counties.

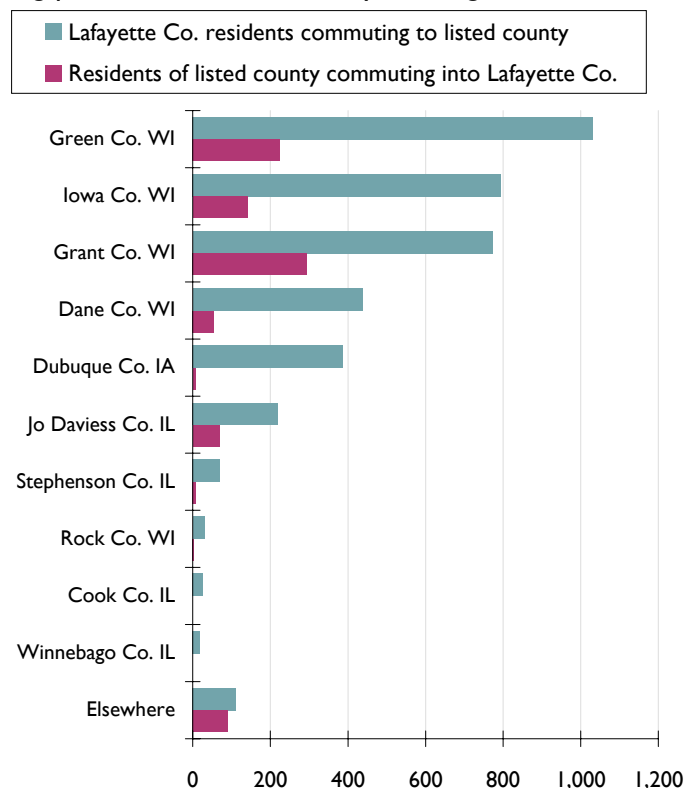
Source: WI DWD, Bureau of Workforce Information, 2002

County Commuting Patterns

Lafayette County workers are very mobile and many Lafayette County residents work in a place other than their county of residence. According to Census 2000, 46 percent of the county's workforce commutes to another county for work each day. Due to the small size of Lafayette County's labor force, and its proximity to larger counties, commuting patterns are dominated by out-migration of the

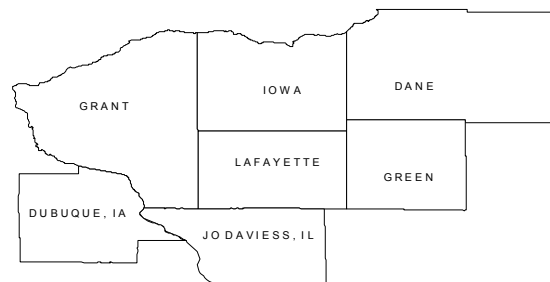
workforce. This situation is not surprising when one considers that all ten of the county's largest municipalities, with the exception of Darlington, are within ten miles of a county border. Approximately 15 percent of those who do work in Lafayette County work in the City of Darlington. The central location of said city makes it easily accessible from virtually every other Lafayette municipality. There are no interstate highways within the county, and only one US Highway, Route 151, cuts across the northwest corner. County and state routes criss-cross the county in a grid pattern, with many of these roads converging in Darlington. Slightly less than ten percent of the county workforce commutes out-of-state, either to Iowa or Illinois. Most commuters to Iowa reside in the western half of the county, especially those within close proximity to US Highway 151. That same route also draws workers into Grant County where many work in Platteville. In the 1990 Census Grant County was the number one draw for Lafayette County residents driving to work. In Census 2000, Grant County was replaced by Green County, with many workers traveling to the City of Monroe.

When Lafayette County residents commute, generally they commute alone. According to Census 2000, 70 percent of residents drove to work alone, six percent walked to work, and 12 percent carpooled.



	Lafayette Co. residents commuting to listed county	Residents of listed county commuting into Lafayette Co.	Net gain or loss of workers
Green Co. WI	1,032	225	-807
Iowa Co. WI	795	141	-654
Grant Co. WI	773	294	-479
Dane Co. WI	437	55	-382
Dubuque Co. IA	387	7	-380
Jo Daviess Co. IL	220	69	-151
Stephenson Co. IL	71	9	-62
Rock Co. WI	31	3	-28
Cook Co. IL	27	not avail.	not avail.
Winnebago Co. IL	19	not avail.	not avail.
Elsewhere	111	91	-20

Source: US Dept. of Commerce, Census 2000, County-to-county worker-flow files



Industry Employment -

Introducing NAICS (North American Industry Classification System)

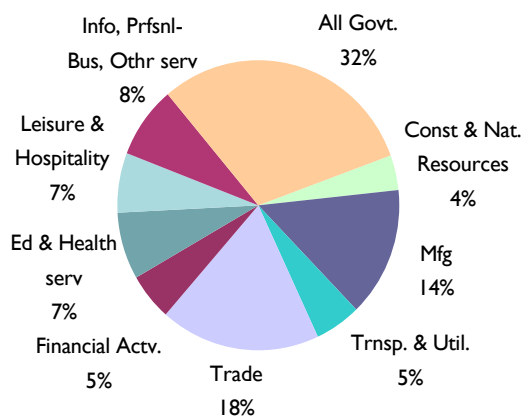
The North American Industry Classification System (NAICS) is a fairly new way of categorizing employers by industry. It was introduced in most areas, including Wisconsin counties, in 2002. It replaces the old system known as Standard Industrial Classification (SIC).

A tome could be written explaining the reasons for the change and what the differences are. For the sake of brevity, NAICS was introduced to reflect a changing economy (new and evolving industries) and

to include all three North American countries in a uniform coding system.

NAICS gives more industry detail reflecting industries that are more contemporary than its coding predecessor. SIC and NAICS data cannot be compared to one another even if the industries share the same or similar name. The new coding system is so different that one cannot assume that data retrieved are similar for comparison. The table at the bottom of the page shows the 2002 industry composition for Lafayette County in present and former coding systems.

Lafayette County Industry Distribution: 2002



Some of the more notable changes are that transportation employment is grouped with warehousing and utilities in NAICS. In SIC, this sector included communication employment. Most jobs in communication were moved to a new sector, information, in NAICS.

Wholesale and retail trade jobs declined to 18 percent of total employment in NAICS from 25 percent in SIC. The primary reason is that restaurants, food service companies and bars were moved to a new NAICS sector of leisure and hospitality. Hotels and lodging facilities are also a part of this new sector, making it easier to monitor changes in tourist related businesses. The NAICS system will also make it much

(Continued on page 7)

2002 Industry Employment in Lafayette County: A comparison of two classification systems

NAICS Super-sectors	Employment	Distribution	SIC Industry Divisions	Distribution
Construction, natural resources & mining	141	4%	Construction & Mining	5%
Manufacturing	514	14%	Manufacturing	14%
Transportation, warehousing & utilities	192	5%	Transportation, utilities & communication	5%
Trade (wholesale & retail)	654	18%	Wholesale trade	10%
			Retail trade	15%
Financial activities	187	5%	Finance, insurance & real estate	6%
Information, professional & business services, other services	285	8%	Services & misc (incl. agr, forestry, fishing)	15%
Education and health services	263	7%	Government	31%
Leisure & hospitality	240	7%		
Government	1,092	31%		

Source: WI DWD, Bureau of Workforce Information, Current Employment Statistics Program, March 2003

Lafayette County Workforce Profile

easier to monitor the rapidly expanding health services sector, grouped with private education in the monthly estimates. Most education jobs are included in the broader government sector.

The statistics detailed on this page and the preceding page do not include individual agricultural employment. According to a 1996 report by the University of Wisconsin-Extension, Lafayette has the second

highest percentage of jobs that were farm and farm-related of Wisconsin Counties. Lafayette was one of only four counties with more than 40 percent farm/farm related employment, the exact percentage of farm and farm related employment in Lafayette in 1996 was 46.3 percent.

Top 10 Industry Groups in Lafayette County

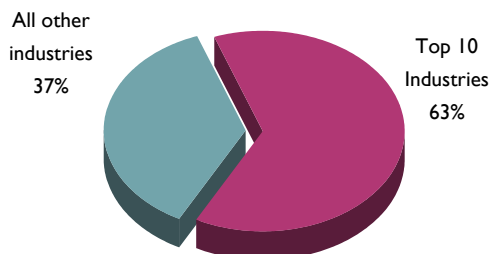
Industry Group	March 2003		Numeric change
	Employers	Employees	2002 - 2003
Educational Services	*	*	*
Executive, Legislative, & Gen Government	25	494	30
Food Manufacturing	9	218	23
Merchant Wholesalers, Nondurable Goods	17	193	6
Food Services and Drinking Places	22	171	-37
Truck Transportation	24	143	-14
Credit Intermediation & Related Activity	10	138	-3
Merchant Wholesalers, Durable Goods	8	124	1
Gasoline Stations	9	108	-7
Electrical Equipment and Appliances	*	*	*

*data suppressed to maintain confidentiality

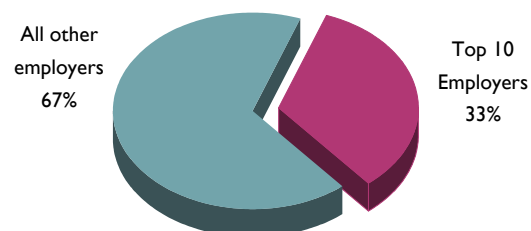
Top 10 Employers in Lafayette County

Company	Product or Service	Size
County of Lafayette	County Government Services	250-499
Darlington Public School	Elementary & secondary schools	100-249
School District of Black	Elementary & secondary schools	100-249
Merkle-Korff Industries	Motor and generator manufacturing	50-99
Lactalis U.S.A	Cheese manufacturing	50-99
Shullsburg Public School	Elementary & secondary schools	50-99
School District of Argyle	Elementary & secondary schools	50-99
Benton Public School	Elementary & secondary schools	50-99
Shullsburg Creamery	Dairy product merchant wholesaler	50-99
Pecatonica Area School District	School and employee bus transportation	50-99

Share of jobs with top 10 industries



Share of jobs with top 10 employers



Source: WI DWD, Bureau of Workforce Information, ES-202 special report, First quarter, 2003

Lafayette County Workforce Profile

The bottom graph emphasizes the presence of transportation employers in Lafayette County. Roughly 26 percent of all jobs in the county and 24.6 percent of the total payroll is from the sector that includes transportation. However, with an annual average wage for workers in this sector of \$21,646 which was only 76 percent of the statewide average wage for similar workers, it would appear that a higher percentage of transportation workers in Lafayette County are in entry-level, semi-skilled, or 'short-run driver' jobs as compared to the same industry statewide.

The average wage for all workers in Lafayette County of \$22,911, a marginal increase of 1.3 percent from the 2001 average of \$22,615. Statewide, the average wage rose 2.7 percent in 2002. NAICS

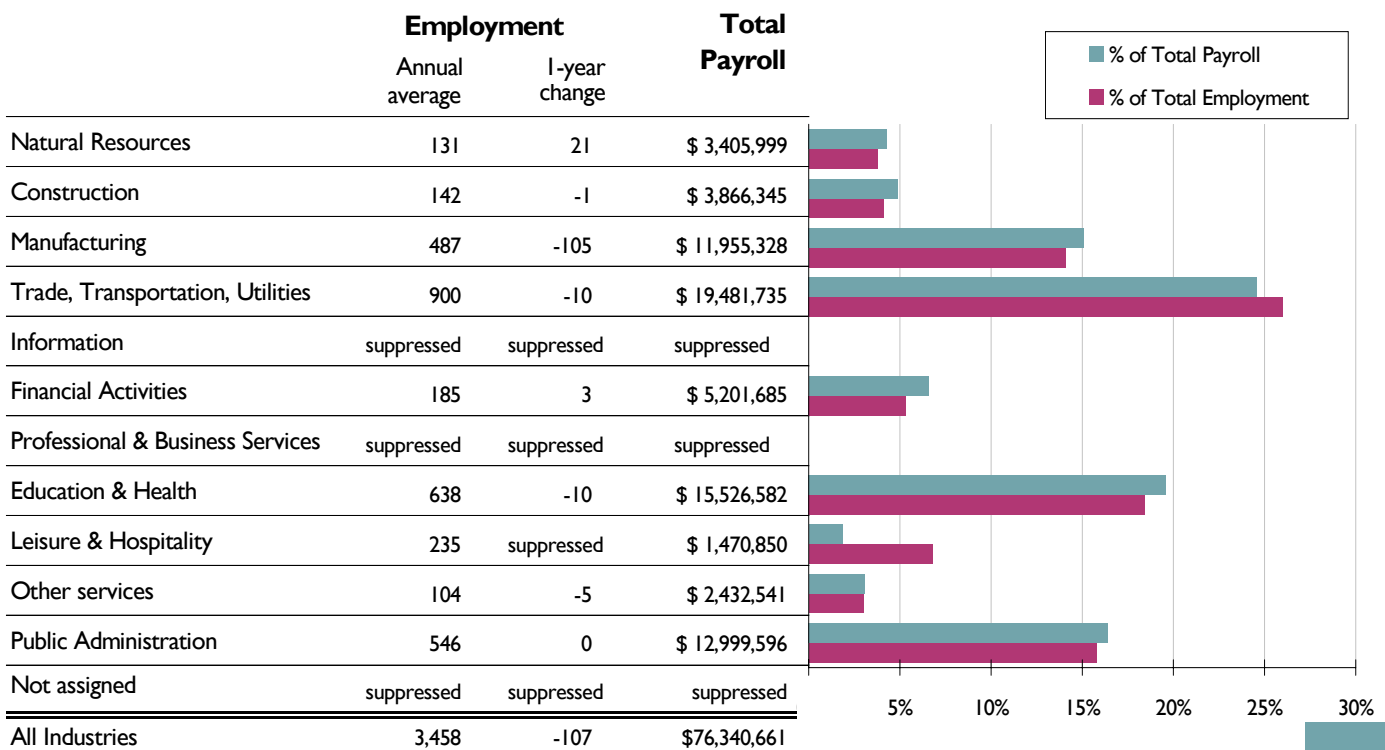
Average Annual Wage by Industry Division in 2002

	Average Annual Wage		Percent of	1-year
	Wisconsin	Lafayette County	Wisconsin	% change
All Industries	\$ 32,422	\$ 22,911	71%	1.3%
Natural resources	\$ 25,481	\$ 26,000	102%	5.2%
Construction	\$ 39,649	\$ 27,228	69%	-3.5%
Manufacturing	\$ 40,584	\$ 24,549	60%	4.0%
Trade, Transportation, Utilities	\$ 28,422	\$ 21,646	76%	-1.6%
Information	\$ 38,871	suppressed	suppressed	suppressed
Financial activities	\$ 40,337	\$ 28,117	70%	8.0%
Professional & Business Services	\$ 36,324	suppressed	suppressed	suppressed
Education & Health	\$ 33,768	\$ 24,336	72%	1.0%
Leisure & Hospitality	\$ 11,837	\$ 6,259	53%	Not avail.
Other services	\$ 19,500	\$ 23,390	120%	-0.3%
Public Administration	\$ 33,769	\$ 23,809	71%	2.2%

Source: WI DWD, Bureau of Workforce Information, Covered Employment & Wages, August 2003

provides a better picture of wages in education (the dataset above includes both public and private education) and health services; leisure and hospitality, and other professional and business services.

2002 Employment and Wage Distribution by Industry in Lafayette County



Source: WI DWD, Bureau of Workforce Information, Covered Employment and Wages, August 2003

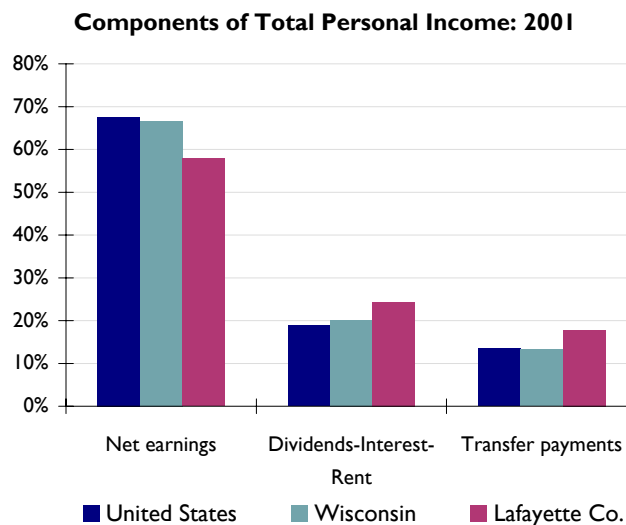
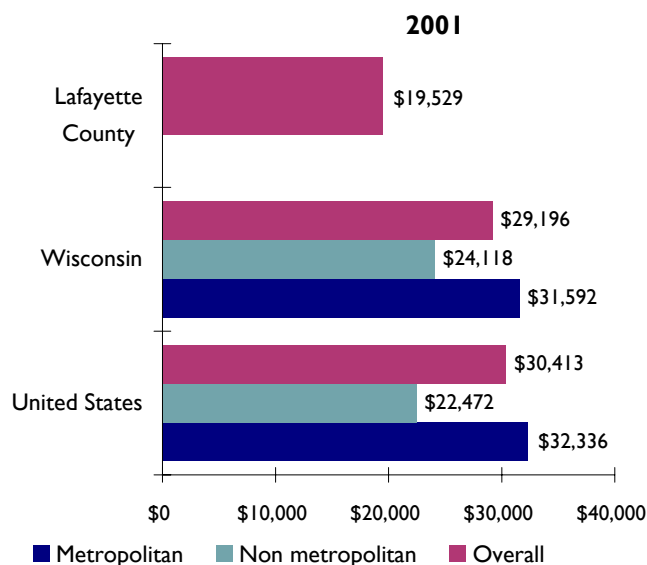
Per Capita Personal Income

Net earnings from wages, self-employment and proprietorships comprise the greatest share of total personal income in Lafayette County. Net earnings comprise 58 percent of total county income which is less than both the state and national share of 66.7 and 67.6 percent, respectively. This is because the share of transfer payments in total personal income, which include social security and certain state assistance programs, is considerably higher than average in Lafayette County.

The Lafayette County PCPI of \$19,529 in 2001 was 64 percent of the national PCPI and 67 percent of the state. It ranked 67th highest among the 72 counties in Wisconsin. The higher share of transfer payments, plus an annual average wage that is 30 percent lower than state average contribute to a lower per capita personal income in Lafayette County.

Per Capita Personal Income

	1996	1997	1998	1999	2000	2001	Percent Change	
							1 year	5 year
United States	\$24,270	\$25,412	\$26,893	\$27,880	\$29,760	\$30,413	2.2%	25.3%
Wisconsin	\$23,301	\$24,481	\$26,004	\$26,926	\$28,389	\$29,196	2.8%	25.3%
Lafayette County	\$16,077	\$16,742	\$18,163	\$18,648	\$18,624	\$19,529	4.9%	21.5%



Source: US Dept. of Commerce, Bureau of Economic Analysis, State & Local Personal Income, May 2003, CAI-3, CA05

WWW addresses of source data

Wisconsin population estimates and projections:

<http://www.doa.state.wi.us/dir/index.asp>

Education levels of population, labor force participation rates, commuting patterns:

<http://www.census.gov/main/www/cen2000.html>

Labor force estimates (employed and unemployed), industry employment, average annual wages:

<http://www.dwd.state.wi.us/lmi/>

Occupations in-demand:

http://www.dwd.state.wi.us/lmi/wda_map.htm

Per Capita Personal Income:

<http://www.bea.gov/bea/regional/reis>

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